



HB 618 Testimony of Tony Herbert

Senate Business, Labor, and Economic Affairs Committee

April 8, 2015

Mr. Chairman and members of the committee, my name is Tony Herbert and I am the executive director of the Montana Brewers Association.

I rise in support for HB618. I want to thank Rep. Pope for having the care and foresight to continue to ask for reform in our alcohol laws through his original bill.

The creation of an ongoing, standing advisory council to work with industry members, government agencies, legislators, and members of the public on issues surrounding the alcohol industry is a worthwhile objective. Title 16, the Alcohol Code, is a complex set of statutes that has evolved over many years and much of it could use some re-thinking. Brewer's issues have raged in these halls the past three sessions, and little progress has been made. However, in North Dakota, Wyoming, Arizona, California laws have been adopted to help the craft beer industries in those state just this year. Having an ongoing council to work through broad policy issues, not only brewery issues, with all industry and legislative representatives could produce better results than what you have witnessed in recent years here in Montana. Montana brewers are committed to working with the council if it is created.

This bill as introduced would have directed the Economic Affairs Interim Committee, which Senator Arntzen sits on, to study during the upcoming interim a number of issues regarding alcohol regulations, not just brewery issues. There was a review of licensing issues including the quota system, a review of distributor franchise laws which provides them with unprecedented protections, brewery and distillery limits within laws, and other policy issues regarding the makeup of Title 16, the State's Alcohol Code. However, HB618 was opposed by the retail industry citing unfairness in the language, budgetary problems, and that it had predetermined objectives.

What we have ended up with is a bill to study the creation of an advisory council, and to not use the time of the Interim Committee to help us consider other changes in the alcohol control system at large. We do think the creation of a standing advisory council is likely a good idea, but change is needed in this system and all parties agree with that. If this version of HB618 is all we can get, we're for it. But we'd rather see this legislature use their interim committee needed take to consider some of the problems within the current system and see if they could help devise solutions with the stakeholders identified in the original bill.

I also would like to point out that even if the legislature approves this bill for an interim study to look only at the creation of the standing advisory council, brewers will assuredly bring legislation in 2017 to make changes in a variety of areas. Thank you.